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Initiative 427: Nebraska Medicaid Expansion

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Cornhusker Economics

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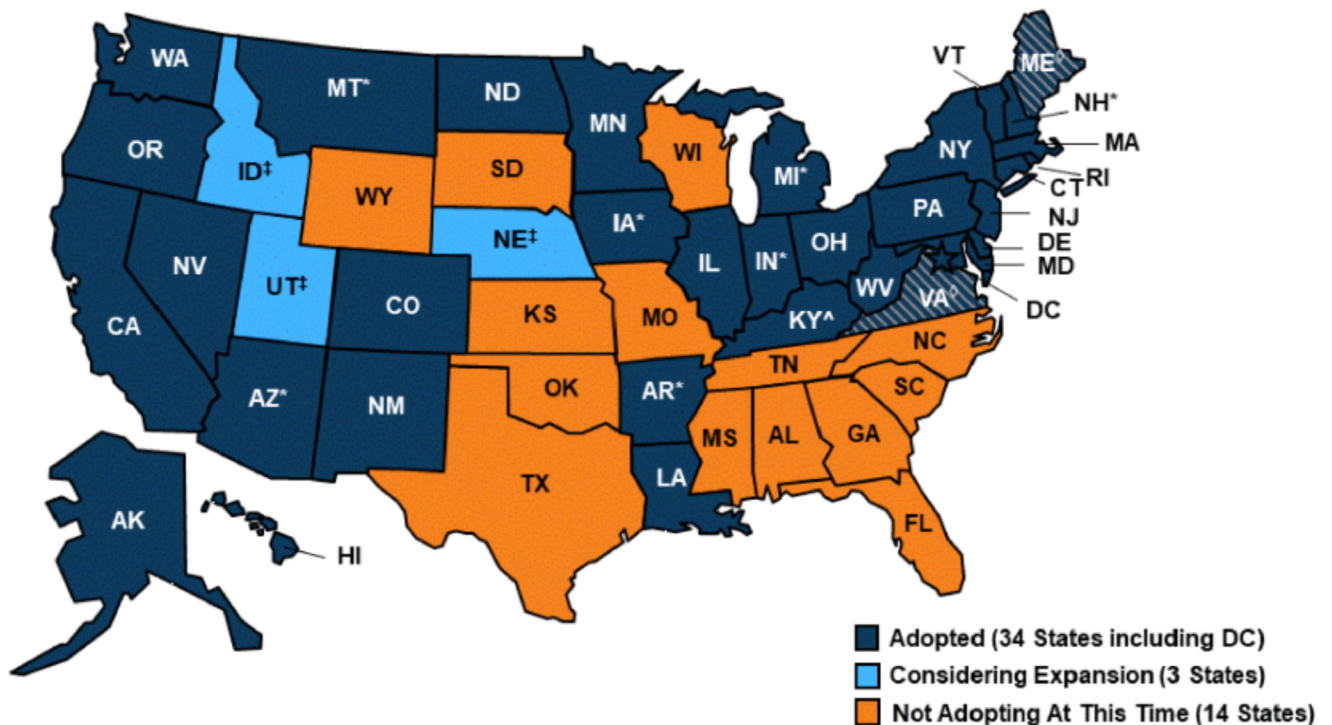
Market Report	Year Ago	4 Wks Ago	10-26-18
Livestock and Products,			
Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	116.33	111.00	115.00
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	177.55	181.38	172.62
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	166.40	165.10	160.01
Choice Boxed Beef, 600-750 lb. Carcass.	201.05	205.07	211.50
Western Corn Belt Base Hog Price Carcass, Negotiated	NA	62.50	58.38
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean.	76.50	79.40	75.57
Slaughter Lambs, woolled and shorn, 135-165 lb. National.	140.48	139.19	135.62
National Carcass Lamb Cutout FOB.	392.24	375.15	378.61
Crops,			
Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	3.12	NA	4.46
Corn, No. 2, Yellow Columbus, bu.	3.10	3.27	3.34
Soybeans, No. 1, Yellow Columbus, bu.	8.82	7.31	7.32
Grain Sorghum, No.2, Yellow Dorchester, cwt.	5.60	5.20	5.30
Oats, No. 2, Heavy Minneapolis, Mn, bu.	2.93	3.12	3.16
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	*	*	108.00
Alfalfa, Large Rounds, Good Platte Valley, ton.	85.00	102.50	105.00
Grass Hay, Large Rounds, Good Nebraska, ton.	85.00	95.00	87.50
Dried Distillers Grains, 10% Moisture Nebraska Average.	122.50	135.00	135.00
Wet Distillers Grains, 65-70% Moisture Nebraska Average.	43.50	48.50	48.50
* No Market			

This article summarizes information regarding Initiative 427—the Medicaid expansion question on the November 6, 2018 ballot. It reprints the actual ballot language and the Nebraska Secretary of State’s summary of arguments for and against Initiative 427.

Background. Originally Medicaid covered the elderly, the disabled, children in low-income families, and low-income pregnant women. In 2010 Medicaid coverage was expanded by Congress to include the working poor. In 2012 the U.S. Supreme Court ruled that the provision of the Affordable Care Act (ACA) requiring states to expand Medicaid was unconstitutional. This made it a state option whether or not to expand Medicaid. Currently 33 states and the District of Columbia have adopted Medicaid expansion. Seventeen states (including Nebraska) have not expanded Medicaid. Three of those states, including Nebraska, are currently considering expanding Medicaid.

Several bills to adopt Medicaid expansion in Nebraska have been proposed but none were enacted. So Medicaid expansion proponents circulated a ballot initiative petition and successfully placed Initiative 427 on the November 6, 2018 ballot. If approved by Nebraska voters, Initiative 427 would amend Nebraska’s existing Medicaid statutes to require Nebraska officials to apply to the federal government for Medicaid expansion. Then the Medicaid expansion statutes could be modified only by a super-majority of 33 votes in the Nebraska Unicameral (very unlikely to occur). The Medicaid expansion, if federally approved, could go into effect beginning in 2020.

Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KFF tracking and analysis of state activity. *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 expansion waivers. ^On June 29, 2018, the DC federal district court invalidated the Kentucky HEALTH expansion waiver approval and sent it back to HHS to reconsider the waiver program. †UT passed a law directing the state to seek CMS approval to partially expand Medicaid to 100% FPL using the ACA enhanced match. ID, NE, and UT have measures on their November ballots to fully expand Medicaid to 138% FPL. †Expansion is adopted but not yet implemented in VA and ME. (See the link below for more detailed state-specific notes.)

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated September 11, 2018.
<https://www.kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>



(Who would be covered by the Nebraska Medicaid expansion? Essentially the working poor: adults aged 19-64 whose annual individual income is less than \$16,753 (\$22,715 for a couple and \$34,638 for a household of four). These individuals are largely ineligible for current Medicaid medical assistance.

Under the current federal Medicaid law, the federal government would assume 90% of the costs associated with state Medicaid expansion, estimated to be between \$500-600 million annually in Nebraska. The state of Nebraska would be liable for the remaining 10%, estimated to be between \$50-60 million annually. Some current health care costs paid for with state funds would be covered under the Medicaid expansion, reducing somewhat state Medicaid expansion net costs. Current annual state Medicaid expenditures (including CHIP—the Children's Health Insurance Program) are \$856 million, the second largest state general fund expenditure and 19% of the state budget (the largest expenditure is the \$1.3 billion state K-12 educational funding, which is 29% of the state budget).

Some benefits of the proposed Medicaid expansion include improved health care for the estimated 90,000 eligible Nebraska citizens who could enroll in Medicaid, and improved revenues for health care providers treating these new Medicaid recipients. One disadvantage is finding the state revenue to fund the estimated \$50-60 million annual state cost of Medicaid expansion.

Below are the official ballot language for Initiative 427, the Secretary of State's summary of arguments for and against Initiative 427, and additional sources of information.

Official Initiative 427 ballot language for November 6, 2018 ballot

Initiative ordered by Petition of the People

Initiative No. 427

A vote "FOR" will amend Nebraska statutes to provide that the state shall amend its Medicaid state plan to expand eligibility for medical assistance to cover certain adults ages 19 through 64 whose in-

comes are one hundred thirty-eight percent (138%) of the federal poverty level or below as defined by federal law, and to maximize federal financial participation to fund their care.

A vote "AGAINST" will not cause Nebraska statutes to be amended in such manner.

Shall Nebraska statutes be amended to provide that the state shall amend its Medicaid state plan to expand eligibility for medical assistance to cover certain adults ages 19 through 64 whose incomes are one hundred thirty-eight percent (138%) of the federal poverty level or below as defined by federal law, and to maximize federal financial participation to fund their care?

_____ For

_____ Against

Arguments for and Against Initiative Measure 427

Supporters Contend: Initiative 427 will provide healthcare to 90,000 Nebraskans who work at jobs that don't provide health insurance. No one should have to decide if they can afford life-saving care like cancer treatment or heart medication. This will help hard working individuals making less than \$17,000 a year, including people with disabilities, veterans, and working mothers, in industries like restaurants, construction, agriculture, and home health care, to obtain insurance. This initiative will create 10,000 jobs and bring \$600 million of our tax dollars back to Nebraska, where they belong. It will help keep rural hospitals open and lower property taxes when counties no longer have to pay for the uninsured, while generating \$1.1 billion of new economic activity annually.

Opponents Contend: Medicaid was designed to support our society's most vulnerable: our young, elderly, and disabled. This fundamental principle has been placed at risk by states that expanded Medicaid under Obamacare through unsustainable burdens on taxpayers and crowded-out resources for Medicaid's intended populations. Expansion enrollees are prioritized because they are reimbursed at a higher percentage than those for whom Medicaid was intended.

Expansion enrollment spending has far outpaced estimates – per patient costs in the first year of expansion have been 49% higher than projected. Consequently, Medicaid expansion states are now looking for ways to close massive budget gaps by raising taxes, scaling back services, exploring the removal of expansion altogether, or adding work requirements. We have better options available than risking the services for our most vulnerable.

Where can I find additional information?

PBS NewsHour report:

<https://go.unl.edu/utj9>

BallotPedia, Nebraska Initiative 427, Medicaid Expansion Initiative (2018)

<https://go.unl.edu/kzee>

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